

Board of Directors which should lay down exposure limits to individual/group borrowers, documentation standards, margin, security, sectoral exposure limits, delegation of powers, maturity and pricing policies, etc.

Status of non-performing assets

2074. SHRI BAISHNAB PARIDA: Will the Minister of FINANCE be pleased to state:

- (a) the status of Non-Performing Assets (NPAs) in the country;
- (b) whether Government is working on certain measures for fast recovery of such loans;
- (c) if so, the details thereof;
- (d) whether Government has evolved certain strategy to control such losses henceforth; and
- (e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) The Gross Non-Performing Assets (NPAs) of the Public Sector Banks (PSBs) as on June 2012 stand at Rs. 1,23,462 crore which amounts to 3.48% of their Gross Advances (provisional data).

(b) to (e) Banks are required to monitor their NPAs and take steps to bring them down through recovery/other channels. Reserve Bank of India also monitors the NPA levels in banks. This aspect is reviewed during Annual Financial Inspections of banks and monitored on an ongoing basis through regulatory returns submitted by banks and periodical meetings with banks. The channels of recovery available to banks include recourse to Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, Debt Recovery Tribunals, Lok Adalats etc.

The Government has advised PSBs to take a number of new initiatives to increase the pace of recovery and manage NPAs, which include appointment of Nodal officers for recovery, to conduct special drives for recovery of loss assets, to put in place early warning system, to replace system of post dated cheques with Electronic Clearance System (ECS) and to proactively pursue the loan issues with State Governments.